

**Consider Funding FY 2009 Growing Smarter
State Trust Land Acquisition Fund Grant Applications**

Background

At its August 11, 2009 meeting, the Conservation Acquisition Board (CAB) reviewed three (3) applications eligible to receive FY 2009 Growing Smarter State Trust Land Acquisition funding from the Land Conservation Fund. The Land Conservation Fund (A.R.S. §41-511.23) revenue comes from an annual General Fund appropriation of \$20 million through fiscal year 2011. The purpose of the grant program is to provide funding for the purchase or lease of State Trust land that has been classified as suitable for conservation purposes by the Arizona State Land Department (ASLD).

In May 2003, the Governor signed a bill directing \$2 million of the annual revenue be transferred to the Department of Agriculture and the Livestock and Crop Conservation Fund. This leaves \$18 million annually under this grant program.

Current Status

The rating team scored the applications per the Parks Board-approved Growing Smarter State Trust Land Acquisition Grant Manual. Attached are the rating scores for each of the projects.

A total of **\$95,680,785** is available for the FY 2009 Growing Smarter grants as summarized below:

FY 2009 Appropriation	\$ 20,000,000
Prior Years' Carry Forward Balance	\$ 77,680,785
FY 2009 Livestock and Crop Conservation Fund	<u>\$(2,000,000)</u>
Total available revenue for grants	<u>\$ 95,680,785</u>

A.R.S. §41-511.23.H.2 states that no more than 50% of the Land Conservation Fund from any one fiscal year may be awarded to projects in a single county. This means that no more than **\$47,840,392** can be awarded in any single county (50% of the *total* amount available in FY 2009). The grant applications would not result in the effect of any county receiving more than 50%.

Staff Recommendation

Staff recommends awarding \$4,780,000 to the City of Phoenix for the purchase of approximately 294.5 acres of the Phoenix Sonoran Preserve – Priority 2C; \$470,000 to Pima County for the purchase of 67.17 acres of the Valencia Archaeological Site; and \$3,250,000 to the City of Scottsdale for the purchase of 398.91 acres of the McDowell Sonoran Preserve. The final grant amounts will be based on the Arizona State Land Department's (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. This recommendation is conditioned upon the appraisals and parcel sizes being approved by the State Land Commissioner, and the applicants are the highest and best bidders at public auction. The recommended funding is as follows:

Total available revenue for grants	\$ 95,680,785
Total recommended awards	\$ <u>8,500,000</u>
Remaining uncommitted balance	\$ <u>87,180,785</u>

The Conservation Acquisition Board unanimously concurred with staff recommendation.

Recommended Board Action

I move to approve funding for the following three projects: \$4,780,000 to the City of Phoenix for the purchase of approximately 294.5 acres of the Phoenix Sonoran Preserve – Priority 2C; \$470,000 to Pima County for the purchase of 67.17 acres of the Valencia Archaeological Site; and \$3,250,000 to the City of Scottsdale for the purchase of 398.91 acres of the McDowell Sonoran Preserve. The final grant amounts will be based on the Arizona State Land Department's (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2009, and that the Executive Director or her designee be authorized to execute the participant agreements.

**Growing Smarter State Trust Land Acquisition Grant Program
FY 09 Grant Recommendations**

Applicant	Parcel	Acres	County	Total Grant Request	Total Project Cost Requested	Final Appraisal Amount	50% Eligible Amount	Total Amount Recommended	Rating Score
City of Phoenix	Sonoran Preserve Priority 2-C	294.57	Maricopa	\$9,426,144	\$18,852,288	\$9,560,000	\$4,780,000	\$4,780,000	32
City of Scottsdale	McDowell Sonoran Preserve	398.91	Maricopa	\$6,000,000	\$12,000,000	\$6,500,000	\$3,250,000	\$3,250,000	39
Pima County	Valencia Archaeological Site	67.17	Pima	\$1,000,000	\$2,000,000	\$940,000	\$470,000	\$470,000	34
		760.65		\$16,426,144	\$32,852,288	\$17,000,000	\$8,500,000	\$8,500,000	

12

13



FY 2009 Recommendations

Growing Smarter Land Acquisition

<p style="text-align: center;">City of Scottsdale McDowell Sonoran Preserve Project Location: Maricopa County Total Rating Points 39</p>	<p>Project Contact: Kroy Eblaw Exec Asst - Strategic Projects 7447 E. Indian School Road Scottsdale, AZ 85251 (480) 312-7064</p>
<p>Description: 398.91 acres purchase. Steep vacant mountain property that is part of Section 16 State Trust Land on the northwest end of the McDowell Mountains. State Land Commissioner reclassified the property as suitable for conservation in 1998 after Scottsdale petitioned the State. Scottsdale intends to keep land pristine as part of the city-owned McDowell Sonoran Preserve.</p>	
Applicant Request	Staff Recommendations
Acquisition \$12,000,000.00	Acquisition \$6,500,000.00 50%
	Eligible Assoc Costs 10% \$650,000.00 10%
Proposed Matching Funds: \$6,000,000.00 50%	Recommended Matching Funds \$3,250,000.00 50% <i>Plus 10% Assoc Costs</i> \$325,000.00 Total Recommended Matching \$3,575,000.00
Requested Grant Amount: \$6,000,000.00 50%	Recommended Grant Award \$3,250,000.00 50% <i>Plus 10% Assoc Costs</i> \$325,000.00 Total Recommended Grant \$3,575,000.00
Proposed Total Project Cost: \$12,000,000.00	Recommended Total Project Cost \$7,150,000.00
<p>Recommendations and Rationale: Staff recommends funding this project. The final grant amount will be based on the ASLD final appraisal of the parcels, agreed upon by the applicant (50%), plus no more than 10% for eligible associated costs. Final appraisal value = \$6,500,000</p>	

FY 2009 Recommendations

Growing Smarter Land Acquisition

Pima County Valencia Archaeological Site Project Location: Pima County Total Rating Points 34	Project Contact: Diana Durazo Special Staff Asst. to the County Administrator 130 West Congress, 10th Floor Tucson, AZ 85701 (520) 740-8800	
<p>Description: 67.17 acres purchase.</p> <p>This property contains the core of the Valencia Archaeological Site, a prehistoric Hohokam settlement that is listed in the National Register of Historic Places. The property is estimated to contain a ceremonial ballcourt, a community plaza, trash middens, hundreds of domestic stuctures of human burials, and thousands of other ancient features. Presently the property is open space within urban Tucson. It sits adjacent to the Santa Cruz River.</p>		
Applicant Request		Staff Recommendations
Acquisition	\$2,000,000.00	Acquisition \$940,000.00 50%
		Eligible Assoc Costs 10% \$94,000.00 10%
Proposed Matching Funds:	\$1,000,000.00 50%	Recommended Matching Funds \$470,000.00 50%
		Plus 10% Assoc Costs \$47,000.00
		Total Recommended Matching \$517,000.00
Requested Grant Amount:	\$1,000,000.00 50%	Recommended Grant Award \$470,000.00 50%
		Plus 10% Assoc Costs \$47,000.00
		Total Recommended Grant \$517,000.00
Proposed Total Project Cost:	\$2,000,000.00	Recommended Total Project Cost \$1,034,000.00
<p>Recommendations and Rationale:</p> <p>Staff recommends funding this project. The final grant amount will be based on the ASLD final appraisal of the parcels, agreed upon by the applicant (50%),plus no more than 10% for eligible associated costs.</p> <p>Final appraisal value = \$940,000</p>		